

EX PARTE OR LATE FILED

# KENTUCKY PAYPHONE ASSOCIATION

412 COLLEGE STREET  
BOWLING GREEN, KY 42101  
888-413-3861

**ORIGINAL**

December 3, 2004

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Chairman Michael K. Powell  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> Street, S.W., Room 8-B201  
Washington, DC 20554

## EX PARTE COMMUNICATION

**Re: Access to Unbundled Network Elements, WC Docket No. 03-225**

Dear Chairman Powell:

As Executive Director of the *KENTUCKY PAYPHONE ASSOCIATION*, I am writing to urge you, in taking action on the pending revision of the Unbundled Network Element (UNE) rules, to ensure that payphone providers continue to have competitive alternatives for their local dial tone service needs.

As you know, payphones play a critical role in meeting the needs of the public for communications on the move – especially in rural and inner city areas, emergencies and in disasters such as 9/11. And for many citizens, payphones are the only form of telecommunications available to them on a permanent basis. That is why Congress mandated widespread availability of payphone service in the Telecommunications Act. The single largest monthly cost incurred by payphone providers in deploying and maintaining a payphone for public use is the charge paid for local telephone service. Thus, to continue providing payphones in the face of an expanding use of personal wireless devices, our members simply must have reliable local service connections at a reasonable cost, or more clearly defined, rates set by a competitive market.

For 17 years we had one, and only one, service provider of dial tone. And that was the local monopoly LEC, our competitors. It wasn't until 2002 that our organization was able to craft an agreement with a new competitive market entrant, a C-LEC who utilizes the UNE-Platform in Kentucky. Today, our members rely greatly on the availability of competitive telephone company alternatives for local dial tone service. Because of this competitive option our member's monthly cost for dial tone has been driven down by over 25%. Without competitive local service options like those available through UNE-P, there is no market check on what payphone providers may be charged by the incumbent telephone company.

In the last few years, our members have had to remove a large number of their payphones from service because their revenue was insufficient to meet operating costs. In addition, you should be aware Bell South has abandoned the payphone market altogether. In a recent Kentucky Public Service Commission finding, the KPSC anticipates that the void created by the Bell South exit to be filled by the independent

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payphone provider, our membership. The brutal reality is, that without UNE-P and the lower cost service alternatives they provide, independent PSP's will *NOT* step into this void, and more of the payphones that the American public rely on and need will be removed from service.

For payphones, the only competitive alternative that has proved effective to date is UNE-P. As Executive Director I have been charged with the task finding of local service alternatives if the FCC terminates the UNE-platform. I am a 26-year telecom professional, and after exhaustive research I can assure you there are *NO OTHER* alternatives available to my members other than C-LEC's who utilize the UNE-platform, or returning to the entrenched monopolies and paying their higher rates. Payphones generally do not transmit data and do not need broadband connections; thus, broadband facilities do not provide a viable competitive alternative for payphones. Cable companies have no interest in providing a stand-alone dial tone service, and VOIP is not an alternative. And most importantly, any service provider must deploy Flex ANI within their switch or systems. I repeat, all the "inter modal" alternatives the agency has recently championed are useless to payphone providers.

Therefore, on behalf of the *KENTUCKY PAYPHONE ASSOCIATION* and their membership, I urge you to take steps to ensure that the FCC's revised UNE rules preserve competitive local service alternatives for payphones.

Thank you for this consideration!

Sincerely,

Gary L. Pace  
Executive Director  
Kentucky Payphone Association

cc: Senator Mitch McConnell  
Senator Jim Bunning  
Representative Edward Whitfield  
Representative Ron Lewis  
Representative Anne M. Northup  
Representative Ken R. Lucas  
Representative Harold Rogers  
Representative Ben Chandler]